

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

May 29, 2013

Kevin Baugh Tar Sands Holdings II, LLC 6445 South Wasatch Boulevard, Suite 105 Salt Lake City, Utah 84121

Subject: Final Approval of Permit Transfer, Tar Sands Holdings II, Asphalt Ridge 2, M/047/0032, Uintah County, Utah

Dear Mr. Baugh:

On May 16, 2013, the Director of the Division of Oil, Gas and Mining approved the replacement surety and reclamation contract for the transfer of the Notice of Intention to Commence Large Mining Operations (NOI) for the referenced project from Crown Asphalt Ridge, LLC, to Tar Sands Holdings II, LLC. You are now solely responsible to conduct mining and reclamation operations as outlined in the approved NOI. Crown Asphalt Ridge, LLC is hereby released from any further reclamation liability under this permit.

As has been mentioned in discussions about this transfer, the NOI needs to be updated to reflect current conditions, and the Division is concerned whether the reclamation surety is adequate. The Division recognizes that updating the NOI is a major task. No later than June 17, 2013, please contact April Abate at 801-538-5214 or by e mail at <a href="majorage-april april april

Thank you for cooperation in completing this permit transfer. Please refer to file M/047/0032 in any correspondence regarding this operation. Please call April Abate at the phone number shown above or me at 801-538-5261 if you have questions regarding this approval.

Sincerely,

Paul Baker

Minerals Program Manager

PBB:aa:pb

Enclosure: Reclamation Contract cc: Crown Asphalt Ridge, LLC

Robert Prince, Kirton McConkie 50 East South Temple, SLC, UT 84111

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